NORTHERN FOOD CONFERENCE

February 18 & 19, 1987

Yellowknife, Northwest Territories

EXECUTIVE SUMMARY

MAR 3 1987

HONOURABLE TAGAK CURLEY
MINISTER
ECONOMIC DEVELOPMENT
AND TOURISM

First, and on behalf of Don Anderson, Ben Hubert and all the other staff associated with the Northern Food Conference, I want to take this opportunity to personally thank you for your enthusiastic support of this most challenging and worthwhile event. The Conference proceedings, displays, delicious meals of country food and the opportunity to meet with Northerners interested in the evolution of our food industry all combined to demonstrate the tremendous potential and opportunity in this sector of our economy.

One of the most exciting features of the industry is its relevance to the whole Northwest Territories. Unlike the mining sector, for example, which is restricted to certain areas of the North, the country food industry has potential throughout our territory. Further, and as was reflected in the delegates to the Conference, northern hunters, businessmen, and service industry representatives all have an interest in how we proceed with the development of this sector of the North's economy. Hopefully, with the commitment, support and input of both the federal and territorial governments, our resident private sector will be able to capitalize on the opportunities discussed at the Conference.

A second dynamic aspect of the industry is its relationship to tourism and the promotion of our unique northern life style and experience. As we all learned at Expo, and as one Conference panel speaker noted in his remarks, "food" represents a major attraction which must become a regular feature of our national and international tourism marketing strategy. Very simply, we cannot look at our food industry in isolation of other related sectors of our economy.

This brings me to a brief review of five areas which received repeated attention during the Conference and which are highlighted below and recommended for consideration by you and your Department.

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a. Food Industry Strategy:

Conference delegates urged that representatives of government and the private sector develop a food industry strategy, taking into consideration all related issues including quality and health standards, current legislation, roles of all levels of government, traditional harvesting, conventional agriculture, game ranching, government purchasing policies for institutional use, to name a few.

b. Legislative/Regulatory Framework:

In recognition of the absence of food industry related legislation and regulations, Conference delegates urged that government proceed as soon as possible with their development. The Conference was virtually unanimous on the need to implement quality control standards through legislation and regulations, particularly as they relate to inspection and processing standards.

c. Infrastructure Support Programs:

The Conference also recommended that immediate consideration be given to capital support programs for facilities required in inspection and processing of game meat or traditional agricultural products such as eggs and chickens and second, vessels required to enhance the marine fishery off Baffin Island.

d. Marketing:

Our detailed report which is attached to this letter, also outlines a number of marketing and promotion initiatives which Conference delegates felt were necessary to raise the profile, and increase consumption of country food in the north and the south. Particular attention was given to the need for a study on alternative fish market options.

e. Future Conference:

Fifth, we are recommending that your Department give consideration to hosting a second food conference in approximately one year. A follow up conference will in our view further raise the profile of the industry and ensure that representatives of government and the private sector have the opportunity to review progress and developments in the areas noted above.

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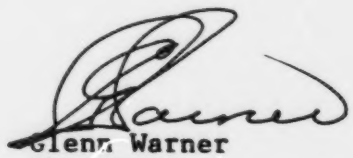
I should also mention a policy issue which was addressed relating to the export of northern foods to speciality markets in the south. Very briefly, it is my understanding that Conference delegates wished to see Northerners obtain the maximum value for products when they leave the north. Should the existing laws and regulations be changed, I would encourage that, within reason, northern game meat in particular must be exported as a processed product. We cannot afford to see jobs and income lost to southern based processing facilities.

In conclusion, I am of the view that the potential of our country food industry has been with us for years. Fortunately, the experience at Expo 86 and the enthusiastic response to the products served at Icicles Restaurant, has demonstrated the need to give the development of this sector greater priority. With the commitment and support of government and the drive of the private sector, we will hopefully see Northerners consuming more products which are "home grown" so to speak. Further, Expo 86 has confirmed that our unique food products are an intregal part of the tourism "package" we should be developing and promoting.

I congratulate you on your vision in hosting the Northern Food Conference and wish you and your Department success in future initiatives to realize the potential of this dynamic renewable resource industry.



Glenn Warner
Chairman
Northern Food Conference

CONFERENCE SUMMARY

The Northern Food Conference held in Yellowknife February 18 and 19, 1987 discussed a broad range of issues related to the food industry in the Northwest Territories. Consumers in the Northwest Territories spend $130 million annually on food items imported from Southern Canada. This is supplemented by $70 million worth of local foods - largely red meat from game and fish.

The conference agenda was organized into seven panels. Each is summarized briefly below. Where time permitted, each panel was followed by questions and discussions with non panel conference delegates. Each panel was launched by the presentation of a keynote paper by the panel chairman.

Panel One: An Overview of the Northern Food Industry

* Northern food resources are distributed throughout the Northwest Territories in terrestrial, freshwater and marine environments.

* Commercial food harvesting and processing ventures are operating in many communities in the Northwest Territories.

* The nutritive value of Northern foods exceeds that of imported foods.

* Market demand should determine the level of industry development.

* The role of subsidies should be examined carefully.

* A host of small problems can be overcome to establish a stable and profitable industry.

* The Northern market takes priority over export markets.

Panel Two: EXPO '86 Experience and Aftermath

* Northern foods proved to be very effective ambassadors for the Northwest Territories at EXPO '86.

* Problems of supply can be overcome by capital infrastructure and professional staff in residence.

* Food can be an effective way to market our tourism potential if our gourmet products carry a factual message.

* Being good is more important than being big.

* The Icicles Restaurant at the Northwest Territories Pavilion at EXPO '86 clearly demonstrated consumer acceptance and the significant Southern market demand for a variety of our Northwest Territories country foods.

* Food, handicrafts and tourism can be marketed together in a way that educates the targeted consumer.

Panel Three: Resources and Production Potential

* Indigenous species are adequate for the Northern food industry.

* The Northwest Territories has 1.3 - 1.8 million caribou and 55 - 60,000 musk-oxen.

* Commercial char fisheries for the export market can be viable over the long term.

* The marine fishery off Baffin must receive more attention.

* New products and markets must be developed for freshwater fishery species if this part of the industry is to get back on its feet.

* Government policies and programs need to be integrated into an effective policy on Northern food production.

Panel Four: Meeting the Demand

* The Northern food industry must develop on sound business principles - supply and demand for high quality products where all participants make a profit.

* Economies of scale work against capital infrastructure for small markets.

* Research and information efforts must be developed to support all aspects of the industry.

* A Northern food industry can provide a significant amount of food but even at maximum development will not provide a great deal of employment.

* Training for food handling should be available.

* Northern food products are unique and can be marketed successfully in the Southern gourmet market.

Panel Five: Traditional Agriculture

* Operations should be scaled to local markets.

* Game ranching, forage crops and honey production are possibilities.

* Current operations in the Northwest Territories produce hogs, milk, vegetables and small fruits.

* Land policies and prices are not conducive to new ventures.

* The regulatory regime is an ongoing challenge for meat and dairy products.

* Northern consumers need additional information on the preparation of Northern food items.

* An agriculture policy is lacking.

* Central infrastructure for meat processing and centralized vegetable storage facilities would assist operators.

* Operators should aim at local markets before exporting products.

* A small area of land can produce a significant portion of food items required by the population in the market area.

* Traditional agriculture will not employ a large number of people.

Panel Six: Marketing and Distribution

* Northern retail outlets will not contribute significantly to expanded use of Northern food items.

* The restaurant market must be assured of high quality goods on a consistent and reliable basis.

* Import/export regulations prohibit the exchange of certain items between Iqaluit and Greenland.

* The local market is over regulated.

* Marketing boards are not a solution to marketing challenges.

* Foods are fundamental to the hospitality and travel industries.

* Cookbooks are a major contributor to promoting the use of unique foods like caribou, musk-ox and other Northern food items.

Panel Seven: Regulatory Environment

* A loyal market must be reassured of product safety; this is achieved by regulations.

* Current practices of red meat handling in the field may not be as safe as traditional habits.

* Packaging and labelling are important aspects of safe food handling methods.

* Publicity surrounding incidents of food poisoning are very harmful to the industry.

* It is essential to do it right.

* Regulations should be appropriate to the problem.

The last panel was devoted to recommendations made by conference delegates and participants.

The recommendations below are summarized. The keynote papers and a detailed listing of the recommendations are included in the conference proceedings.

The recommendations from the floor and participants were never voted on, and as such, in a few instances, may represent minority viewpoints.

SUMMARY OF RECOMMENDATIONS

1. A policy should be developed to guide the development of the Northern food industry including commercial use of country foods.

2. For some food products, there are limited supplies. Meeting Northern demand should take precedence over satisfying Southern demand for our country foods.

3. With respect to export, emphasis and encouragement should be placed on the development of markets for processed country foods.

4. Appropriate Northern standards and regulations should be developed for foods produced in the Northwest Territories for commercial use.

5. Roles for government include marketing and advertising local products in the Northwest Territories and abroad, and training in the handling and processing of local produce.

6. Marketing efforts should include new product development, especially for fish produced from Great Slave Lake. Consideration should be given to assisting the Great Slave Lake Fishermen's Association in exploring alternate markets for their catch.

7. The export market should be served by high quality, high price gourmet items in a way that carries a message from the Northwest Territories to the national and international tourist market. This export effort includes the ability to cater to special events like international expositions, food fairs, royal celebrations and national festivals.

8. The Northwest Territories pavilion at EXPO '86 clearly demonstrated the value of our participation at major international events. EXPO '86 has provided a significant boost in demand for Northwest Territories produced goods and services.

9. The message attending our products should describe the land and its people that produce the food items and the customs and handicrafts that these cultures have developed over time. Included in the Northern natural history lesson must be the role of conservation in the Northwest Territories. In

the case of musk-ox, conservation measures instituted by the government which, with the cooperation of the native residents, prevented musk-ox from becoming extinct in the Northwest Territories as they were in Alaska during the last period of exploration by trading companies in the last century. Musk-ox have made a remarkable recovery in the Northwest Territories as have caribou and the woodland bison. Commercial use and export of gourmet products is part of the conservation strategy for these animals.

WHERE DO WE GO FROM HERE?

The vision and hopes expressed at this conference confirmed the support for a Northern food industry expressed at regional economic development conferences also hosted by the Department of Economic Development and Tourism over the past six months. There can be no doubt that there is a need for an aggressive and integrated initiative with respect to greater food production in the Northwest Territories for Northern consumption and to a lesser extent for export. The action described below summarizes the conference organizers' view on how to build a more productive Northern food industry.

1. A Policy for Northern Food Production

The conference pointed out areas where lack of policy retards initiatives by both government and industry. Questions that need to be addressed include:

* Do freight subsidies apply equally to intersettlement trade as well as export?

* Should lands used for conventional agriculture be priced the same as lands for residential or light industry use?

* Is there a government purchasing policy for institutional use of Northern foods?

* Are the policies and objectives of the Departments of Economic Development and Tourism, Renewable Resources, and Health compatible and do they encourage the Northern food industry?

Recommendation

The conference organizers recommend that the Ministers of the Government of the Northwest Territories with an interest in the food industry establish a small task force or group of people that can review all aspects of Northern food production and report back within twelve months. The task force should consult with all levels of government and seek input from the public and participants in the Northern food industry to recommend an integrated policy on Northern food production. Terms of reference for the task force should be broad and be developed with the help of industry representatives.

2. Product Development and Marketing

It must be recognized that the production of raw Northern foods will not by itself employ very many people. The substitution value of Northern foods in the local economy will far exceed the employment value. In order to increase employment in the food industry, new products must be developed and markets found. This is especially true with the commercial fishing industry. Fish fillets are not regarded as fast food or gourmet food and so are not easily marketed. As raw unprocessed goods, they provide minimal employment. By developing new processed food products, produced by local labour, the export value could be increased considerably.

With respect to existing products, the quality and variety of Northern foods served at the conference once again proved the gourmet qualities of our food products. We were reminded by speakers with international marketing experience that food can serve as a very effective ambassador and communicator. High quality foods served in our hospitality and travel

industry can contribute to direct growth of the Northern tourism industry and thereby stimulate local employment and economic development.

Good food served in an attractive manner is always a memorable experience. For many in the travelling public, this will stimulate curiosity and interest to learn more of the land and people, their customs and cultures, that produce such foods. This interest is a necessary prerequisite for increased tourism to our Northern communities. Increased tourism will provide a direct stimulus for the local service and handicraft industries in Northern communities.

Recommendation

The conference organizers recommend that the Department of Economic Development and Tourism embark on a long term program to develop both products and markets and so stimulate the production of high quality foods and all the spin-off activities that follow. This initiative includes:

- product research;
- Southern market research and market development activities;
- NWT and Southern marketing strategy; and
- change the Wildlife Act to allow for the commercial export of game meat.

3. Quality Standards, Regulations and Inspection

The industry supports standards and regulations designed to safeguard the public. The regulations however, must be understandable and practical.

Recommendation

The policies, standards and regulations (future and existing) should be compiled in one reference volume so that current and prospective participants in the food industry can be assured that they have all the relevant background information. On compilation, the government and the industry should review the entire volume and so ascertain the appropriateness of the regulations and standards. As well, local inspection staff should have the technical back-up of local testing and analysis laboratories.

The conference organizers urge that the federal and territorial governments establish a uniform, consistent and reasonable set of quality control standards, in cooperation with industry representatives, through legislation and regulations, particularly with respect to harvesting, processing, inspection and packaging. In addition, inspection services should be administered and be available on a regional basis.

4. Training

The enthusiasm and dedication of entrepreneurs in the food industry can be quickly undermined by the lack of knowledgeable staff. The market is unforgiving when food purchased does not measure up to quality or value expectations of the consumer.

Recommendation

The conference organizers recommend that harvesters, producers and retailers have available to them both financial assistance to train all staff as well as persons who are qualified to provide the training on short notice. Training

should include standard skills and techniques in handling and quality, and safety guidelines and regulations.

5. Financial Infrastructure

The food industry in the Northwest Territories represents an annual expenditure of $130 million for imported food supplemented by $70 million of local products. Decreasing import volume through local product can be achieved. Import substitution would be enhanced through capital infrastructure that would facilitate more efficient harvesting, storage and perhaps increase local processing. All require capital.

Recommendation

The conference organizers recommend that a strategy be developed that would see capital for:

- a vessel for the marine fishery off Baffin Island;
- a portable abattoir for producing inspected meat of caribou and musk-ox, and perhaps domestic stock;
- facilities for storage of vegetables from market gardeners and conventional agriculture;
- processing facilities to produce secondary fish products at Hay River; and
- an egg production facility.

6. Another Northern Food Conference

The conference demonstrated the tremendous interest in Northern foods. Another should be held in a year's time to discuss progress made - especially with regard to an integrated policy for producing Northern food. A large conference pgraom should also be considered to allow for non delegate participation.